



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

PID-AA2-890
2
CONFORMED COPY
P. O. BOX 302
BRIDGETOWN
BARBADOS

August 27, 1985

Mr. S.A.S. Lestrade
Director
Economic Affairs Secretariat
Organization of Eastern Caribbean States
St. Johns, ANTIGUA

Dear Mr. Lestrade:

SUBJECT: Grant No. 538-0089; AID Accounting and
Appropriation Data: 72-1151037
Budget Plan Code LESA-85-25538-KG13

1. I have the honor to refer to the Inter-Agency Resident Mission (hereinafter referred to as IARM) Project, as amended.
2. I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Government of the United States of America, acting through the Agency of International Development (hereinafter referred to as AID) hereby obligates and grants to the Economic Affairs Secretariat (hereinafter referred to as EAS or OECS/EAS) through the Organization of Eastern Caribbean States (hereinafter referred to as OECS or the Grantee), the sum of Three Hundred Thousand United States Dollars (US\$300,000), to be used for support of activities related to the transition of IARM functions to the OECS/EAS, as more fully described in Attachment A, and during the period from the date of this Grant Agreement to December 31, 1986. The total estimated amount of this Grant for the period from the date of this Grant Agreement to the Project Assistance Completion Date (PACD), December 31, 1988, is Eight Hundred Thousand United States Dollars (US\$800,000).
3. This Grant is effective as of the date of this letter and is applicable to commitments made by the Grantee in support of the program. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

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4. It is understood that financial records, including documentation to support entries on accounting records and to substantiate changes within this Grant shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least 3 years after final disbursement of funds under this Grant.

5. The Grantee agrees to make available to AID for the Comptroller General of the United States all records and documents which support expenditures made under this program.

6. It is understood that the funds granted hereunder shall be disbursed as set forth in Attachment B hereto entitled Payment Provisions.

7. The parties agree that this grant and the activities financed therewith, shall be managed by the Grantee in accordance with its established policies and procedures. The proposed budget for this Grant is provided in Attachment C. All procurement of services and commodities under this Grant shall be carried out in accordance with provisions set forth in Attachment D.

8. If the use of the Grant funds results in the accrual of interest to the Grantee or to any other person to whom the Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to AID any amount of interest earned.

9. The Grantee shall prepare and submit to AID the required financial and technical reports in accordance with the schedule set forth in Attachment E.

10. This agreement, in whole or in part, may be terminated by either party at any time upon 30 days written notice. This agreement may be revised only by the written mutual consent of the parties hereto.

11. The AID Technical Office responsible for monitoring this Grant is the Regional Development Office/Caribbean.

12. Prior to any disbursement under this Grant or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) An opinion from the Chief Legal Officer of the Grantee stating that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the OECS, and that it constitutes a valid and legally binding obligation of the OECS in accordance with all of its terms;

(b) An opinion that the EAS has full power to administer this Grant and to implement all aspects of the contemplated performance of the Grant; and

(c) A statement representing and warranting that S.A.S. Lestrade has the authority to act as the representative of the Grantee together with his specimen signature certified as to its authenticity.

13. Please acknowledge your request for and indicate your acceptance of this Grant by signing the original and 5 copies of this letter in the space provided below and returning the original and 5 copies to the Grant Officer. Two copies may be retained for your files.

THE UNITED STATES OF AMERICA

BY: James L. Hettracy
TITLE: Director
DATE: August 27, 1985

Attachments:

- A. Purpose and Implementation Plan
- B. Payment Provisions
- C. Budget
- D. Contracting Procedures; Source and Origin of Procurement
- E. Reporting Requirements

ACCEPTED:

ORGANIZATION OF EASTERN CARIBBEAN STATES

BY: [Signature]
TITLE: Director
DATE: August 29, 1985

FUNDS RECEIVED
NAME: [Signature]
DATE: 8/27/85

ATTACHMENT A: PURPOSE AND IMPLEMENTATION PLAN

In recognizing that the IARM is a temporary organization which is scheduled to terminate operations by December 31, 1986, and that OECS/EAS has always been expected to assume most of IARM's functions thereafter, it is hereby proposed that USAID grant up to US\$800,000 to strengthen the OECS/EAS for the purpose of helping the member countries of OECS to (a) improve their overall economic performance, (b) accelerate the execution of investment projects, and (c) raise the quality and increase the effectiveness of foreign assistance expenditures. More specifically the proposed grant funds will provide support for both long- and short-term technical assistance and related back-up requirements.

1. Long-Term Technical Assistance

It is proposed that AID provide the sum of US\$516,000 over a three-year period to fund long-term technical assistance that will provide the EAS with macroeconomic policy expertise. This component of the proposed grant would cover salaries and travel-related expenses for three individuals, as well as travel-related expenses for policy seminars. First, for a two-year period commencing in the latter part of CY 85 or the early part of CY 86, a "Macroeconomic and Economic Planning Advisor" would be engaged. This Advisor would be a recognized economist with development experience, particularly in the Eastern Caribbean, who would be expected to devote the majority of the position's time to substantive work. Second, a counterpart from the region would be hired--and funded for a three-year period--to work with the Advisor for the first two years and to thereafter assume responsibility for the work program. At the end of the AID-funded period, this individual would be expected to continue in this function, with funding provided from ordinary OECS revenues. Third, AID would fund a secretary to support the office of the Macroeconomist, again for three years, after which funding would be expected to come from ordinary OECS revenues.

EAS regards this macroeconomic function as one of critical importance over the coming years. Since the inception of the IARM facility in Antigua, with a mandate to upgrade the OECS regional and national economic policy and strategy capabilities, the IARM staff have gone some distance toward filling this function. With the impending phase-out of IARM and the transition of functions from IARM to the EAS (and other institutions) expected to occur in the coming year, the development of this capacity in the EAS assumes greater importance.

In addition, the June 1985 CGCED meetings decided to initiate a study of opportunities for and constraints to structural adjustment in the OECS countries, in connection with a proposal that a "Caribbean Development Fund" be established to assist in the

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countries' structural adjustment efforts. As this study progresses, and as conclusions emerge, it will be vital that EAS have the capacity to comment critically on relevant issues. It is envisioned that the Macroeconomic and Economic Planning Advisor's office will play an important role in this proposed project.

The terms of reference of the Macroeconomic and Economic Planning Advisor will be the following:

- (1) To work with the Secretariat and national officials to formulate a two-year plan of work for the Advisor and his counterpart;
- (2) To assist the Member States of the OECS in formulating and implementing long-term strategies for economic development;
- (3) To formulate long-term perspective economic plans for the countries;
- (4) To assist national economic planning units in their planning efforts;
- (5) To support the work of the Economic Policy Review Committee of the OECS;
- (6) To provide such other technical assistance as may be required by the EAS, including any coordination required with other institutions (such as CDB, ECCB) on OECS-specific economic development matters, by drawing on short-term technical assistance resources included in this project.

2. Short-Term Technical Assistance

Just as the original grant provided IARM with a fund for short-term technical assistance, a similar fund will be established for EAS under the proposed grant. This fund in the amount of US\$284,000 is required for three reasons: (1) to provide back-up to the Macroeconomic and Economic Planning Advisor, (2) to support the EAS in general when outside resources are required, and (3) most importantly, to provide the Economic Policy Review Committee with a resource upon which it can draw to investigate subjects of concern to the Committee. On a quarterly basis, the EAS will be responsible for drawing up a 90-day work plan, with cost estimates, describing activities under this Grant component for the ensuing quarter.

The Economic Policy Review Committee (EPRC), convened and chaired by the EAS, includes representatives from the CDB and ECCB, and the financial secretaries and heads of economic planning of the

Member States. The EPRC, established in November 1984, has the responsibility of reviewing economic policy and strategies of OECS Member States and of advising the Authority of the OECS on these matters. This Committee advises on further technical work that needs to be done, including further examination of economic policy matters, allocates the work among the institutions and countries and also decides on those aspects of the work that may need to be carried out by consultants. The work of the EPRC would be considerably facilitated if it were provided with funds from which it could finance short-term studies on matters of an economic policy significance to the sub-region"

3. Accounting Procedures

Prior to disbursement of funds under this Grant, the Grantee shall make its accounting procedures available to examination by representatives of A.I.D., so that A.I.D. can be assured that the disbursed funds will be handled using procedures acceptable to A.I.D.

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ATTACHMENT B: PAYMENT PROVISIONS

(1) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the Grantee as close as is administratively feasible to the actual disbursements by the Grantee for program costs. Cash advances made by the Grantee to secondary recipient organizations or the Grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by AID to the Grantee.

(2) Grantees shall submit requests for advances at least quarterly to the office specified in the grant letter. Requests for advances shall state the estimated disbursements to be made during the period covered by the request, less the estimated balance of cash on hand at the beginning of the period and the advance amount being requested. At the expiration of the grant, the grantee will submit within 90 days a report showing total disbursements, total advances received and any cash remaining on hand, which will be refunded to AID.

(3) If at any time, the AID Controller determines that the Grantee has demonstrated an unwillingness or inability to: (a) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (b) timely report cash disbursements and balances as required by the terms of the grant, and (c) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations, the AID Controller shall advise the Grant Officer who may suspend or revoke the advance payment procedure.

ATTACHMENT C: BUDGET

(US DOLLARS)

Cost Element	Obligated	Estimated	Total
	Amount	Additional	Estimated
	From 8/85 To 12/86	From 1/87 To 12/88	From 8/85 To 12/88
<u>I. Long-Term Technical</u>			
Assistance	211,000	305,000	516,000
A. Macroeconomist	(130,000)	(138,000)	(268,000)
B. Counterpart	(30,000)	(69,000)	(99,000)
C. Secretary	(8,000)	(18,000)	(26,000)
D. Travel and Misc.	(43,000)	(80,000)	(123,000)
<u>II. Short-Term Technical</u>			
Assistance	89,000	195,000	284,000
<u>Total</u>	<u>300,000</u>	<u>500,000</u>	<u>800,000</u>

ATTACHMENT D: CONTRACTING PROCEDURES; SOURCE AND ORIGIN OF PROCUREMENT

(1) Contracting

A.I.D. should be consulted in advance of any contracting financed under this Grant. All procurement procedures and contract awards shall require A.I.D.'s prior approval.

(2) Source and Origin

(a) All travel under this Grant shall be via U.S. flag carrier to the extent that such service is available.

(b) Source, origin, and nationality for all procurement of services or commodities hereunder shall be the United States (AID Code 000) or the member countries of the Organization of Eastern Caribbean States.

(c) Title to all property financed hereunder shall be in the Organization of Eastern Caribbean States.

ATTACHMENT E: REPORTING REQUIREMENTS

(1) Technical Reports

The Grantee, unless A.I.D. otherwise agrees in writing, will furnish to A.I.D., in form and substance satisfactory to A.I.D., quarterly reports on technical progress under this project. The first report will be submitted 90 days after initial disbursement by A.I.D. of the Grant funds. The quarterly reports shall include a detailed description of the activities of the "macroeconomist" and the "counterpart" described in Attachment A and funded under this Grant, and shall describe the work carried out by short-term consultants funded under this Grant. Quarterly reports shall cover the preceding 90-day period. In addition, and at the discretion of the Grantee, the Grantee may submit to A.I.D. any substantive reports or study results funded under this Grant.

(2) Financial Reports

The Grantee, unless A.I.D. otherwise agrees in writing, will furnish to A.I.D., in form and substance satisfactory to A.I.D., quarterly reports on the status of funds, and the use thereof, of the disbursements under this Grant. The first report will be submitted 90 days after initial disbursement by A.I.D. of the Grant funds.

(3) Work Plans

(a) Long-term technical assistance: The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D., semi-annual work plans for individuals funded under the long-term technical assistance component of this Grant.

(b) Short-term technical assistance: The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D., quarterly work plans, including cost estimates, for activities to be funded in the ensuing quarter under the short-term technical assistance component of this Grant.

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UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 909-8000

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FIN 212/5 RLA/82/004

29 June 1983

Dear Mr. Bittner:

Re: Grant No: 538-0089
Inter-Agency Residence Mission
(IARM)

..... I enclose the signed original and eight copies of the agreement to increase the contribution of the Government of the United States of America to this project to \$676,000.

Would you please arrange to have the copy of the single irrevocable letter of credit, without conditions sent to me. I will promptly supply the Federal Reserve Bank with signatory authority for draw down, on the proper forms, through the U.S. Mission to the United Nations. Quarterly reports on the status of the letter of credit will be submitted to the Mission.

Yours sincerely,

Bruce C. Hillis
Chief
Treasury Section

Mr. P. Bittner
Private Sector Advisor
Department of State
(International Department)
Room 2252 LAC/DR New State
21 Virginia Avenue NW
Washington DC 20523

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UNITED STATES INTERNATIONAL DEVELOPMENT COORDINATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ASSISTANT
ADMINISTRATOR

Robert N. Adams

RECEIVED U. N. D. P. REGISTRY ACTION APR 11 1983 TO <i>Mr. Bennett</i> <input type="checkbox"/> Action Completed <input type="checkbox"/> Acknowledged <input type="checkbox"/> No Action Req'd. INITIALS.....

*WMM
MG
CA
FB
JA*

Mr. Michael Gucovsky
Officer-in-Charge
Regional Bureau for Latin America
United Nations Development Programme
One United Nations Plaza
New York, N.Y. 10017

RAY/82/004

Subject: Grant No. 538-0089
Appropriation: 72-1121021
Budget Allowance: LDAA-82-25538-EG13

Dear Mr. Gucovsky:

1. I have the honor to refer to the letter grant agreement dated August 27, 1982 (hereinafter referred to as the "Agreement"), between the Government of the United States of America, acting through the Agency for International Development, and the United Nations Development Programme, relating to the Inter-Agency Mission in the Eastern Caribbean.

2. The Agreement is hereby amended as follows:

(a) Section 2 of the Agreement is hereby amended by deleting "Two Hundred Thousand United States Dollars (\$200,000)" from the sixth line thereof and by inserting "Six Hundred Seventy-Six Thousand United States Dollars (\$676,000)" in lieu thereof; and

(b) Article VII of Attachment A to the Agreement is hereby amended by deleting the sum "\$200,000" therefrom and by inserting the sum "\$676,000" in lieu thereof.

3. Except as expressly amended or modified by Section 2 hereof, the Agreement remains in full force and effect.

4. Please indicate your acceptance of this Amendment to the Agreement by signing the original and eight (8) copies of this

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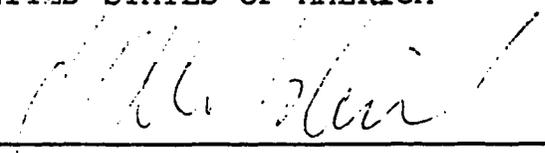
Mr. Michael Gucovsky
Page 2

letter in the space provided below and return the original and six
(6) copies to:

Dwight B. Johnson
Associate Assistant Administrator
for Development Resources
Bureau for Latin America and
the Caribbean
Agency for International Development
Washington, D.C. 20523

Two copies may be retained for your file.

THE UNITED STATES OF AMERICA

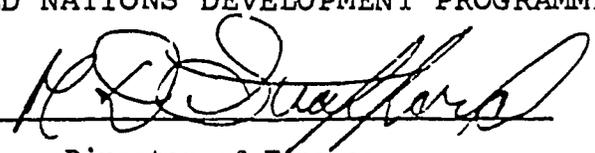
By: 

Title: A.I.D. Assistant Administrator
Bureau for Latin America
and the Caribbean

Date: March 25 1983

ACCEPTED:

UNITED NATIONS DEVELOPMENT PROGRAMME

By: 

Title: Director of Finance

Date: 29 June 1983

27 AUG 1982

Mr. Michael Gucovsky
Officer-in-Charge
Regional Bureau for Latin America
United Nations Development Programme
One United Nations Plaza
New York, New York 10017

Dear Mr. Gucovsky:

1. I have the honor to refer to your letter dated July 16, 1982, relating to the formation of the Inter-Agency Resident Mission for the Eastern Caribbean which is being implemented as a UNDP project.

2. I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Government of the United States of America, acting through the Agency for International Development (hereinafter referred to as "AID"), hereby grants to the United Nations Development Programme (hereinafter referred to as the "UNDP" or the "Grantee") the sum of Two Hundred Thousand United States Dollars (\$200,000) to be used for support of the Inter-Agency Resident Mission in the Eastern Caribbean, a project jointly funded by the World Bank, the IMF, CIDA, the Inter-American Development Bank, the Caribbean Development Bank, ODA, the OAS, and AID, as is more fully described in Attachment A.

3. This Grant is effective as of the date of this letter and is applicable to commitments made by the Grantee in support of the program from the date of this letter through September 30, 1984. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

4. It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against the Grant shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least three years after final disbursement of funds under this Grant.

5. The Grantee agrees to furnish to AID its financial statements on this project, any comments contained in the Report of the Opinion of the Board of Auditors of the United Nations (as and when received), and such information on the status and execution of the project as may be reasonably requested by AID.

6. The parties agree that this Grant and the activities financed therewith shall be managed by the Grantee in accordance with its established policies and procedures.

7. The Grantee has assured AID that the Grant funds will be used by the Grantee as they are in fact required to finance expenditures for this project. Accordingly, AID has agreed to establish a single irrevocable Letter of Credit which the Grantee can draw down from time to time, in amounts as and

when actually required, to finance the expenditures of this project. The Grantee agrees to draw down these funds on a pro rata basis with funds contributed by other donors for the Inter-Agency Resident Mission. The AID funds may be used only for the purposes of the Grant in an amount not to exceed \$350,000 (if this Grant is amended to add additional funds) until AID has approved in writing an evaluation of the Inter-Agency Resident Mission such evaluation to be more fully described in Article VI of Attachment A hereto. Any amount of this Grant which has not been expended at the conclusion of the project shall be returned to AID, together with any interest which may have been earned on the Grant, unless AID shall otherwise agree in writing.

8. The Grantee shall prepare and submit to AID at least one copy of a report in accordance with Article V of Attachment A.

9. This Agreement, in whole or in part, may be terminated by either party at any time upon 30 days written notice. This Agreement may be revised only by written mutual consent of the parties thereto.

10. Please indicate your acceptance of this Grant by signing the original and eight (8) copies of this letter in the space provided below and return the original and six copies to:

Mr. Dwight B. Johnson
Associate Assistant Administrator
for Development Resources
Bureau for Latin American and the Caribbean
Agency for International Development
Washington, D. C. 20523

Two copies may be retained for your file.

THE UNITED STATES OF AMERICA

BY: [Signature]

TITLE: A.I.D. Assistant Administrator
Bureau for Latin America
and the Caribbean

DATE: Aug 27, 1982

ACCEPTED :

UNDP

BY : [Signature]

TITLE: Director of Finance

DATE : 19 September 1982

FISCAL DATA:

Appropriation: 72-1121021

Contract Number: LDMA-82-15578-EG13

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PROGRAM DESCRIPTION

ARTICLE I - Program Purpose

The purpose of this Grant is to assist in the establishment and support of the Inter-Agency Resident Mission (IARM). The IARM will help the member countries of the Organization of East Caribbean States (OECS) to (a) improve their overall economic performance; (b) accelerate the execution of investment projects; (c) raise the quality and increase the effectiveness of foreign assistance expenditures; and (d) strengthen the newly-established OECS to enable it to assume most of the functions of the IARM thereafter.

ARTICLE II - Program Description

The UNDP, with the World Bank/IMF, and CIDA, will establish an Inter-Agency Resident Mission for the Eastern Caribbean to serve the Governments of Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines.

ARTICLE III - Period of Grant

The period of this Grant shall be through September 30, 1984.

ARTICLE IV - Project Number

538-0089

ARTICLE V - Reports

No later than 13 months after the effective date of this Grant, the Grantee shall submit a report to IAC/DR (The Office of Development Resources, Bureau for Latin America and the Caribbean), confirming that costs claimed under the Grant have been expended in conformity with the Grant. A similar report shall be submitted at the end of the Grant period.

ARTICLE VI - Evaluation

Prior to drawing down funds under the Letter of Credit in excess of \$350,000 (if this Grant is amended to add additional funds), the Grantee shall submit an evaluation of the IARM. The evaluation should examine the overall performance of the IARM against its objective, particularly in terms of progress in identifying and developing specific project proposals.

ARTICLE VII - Use of Funds

The funds expended under the Grant shall not exceed \$200,000.

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ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM : LAC/DR, *[Signature]* Johnson

SUBJECT : Inter-Agency Resident Mission for the LDCs of the Eastern Caribbean

Problem: Your approval is required for a grant of \$676,000 from the Section 106, Selected Development Activities appropriation, to the United Nations Development Program for the Inter-Agency Resident Mission for the LDCs of the Eastern Caribbean.

Background: At the fourth meeting of the Caribbean Group for Cooperation in Economic Development (CGCED) in 1981, the special problems of the less developed states of the Eastern Caribbean (the LDCs) were of particular concern. It was generally agreed that the benefits from the CGCED to the LDCs had been relatively limited to date. This was due in part to the inherent difficulties of developing such micro-economies, their present administrative and technical weaknesses and their inability to prepare realistic investment programs appropriate for external funding. To address these problems and increase the absorptive capacity of the LDCs to use external donor assistance effectively, the CGCED supported the establishment of an Inter-Agency Resident Mission (IARM).

As proposed, the IARM would supplement the annual meetings of the CGCED by facilitating regular commitments and performance by donors as well as recipients regarding development policies and technical and financial assistance.

Discussion: The IARM project proposal (TAB A) was put forward by the United Nations Development Program as the result of extensive discussions among donors and recipient countries within the CGCED.

Development Objectives - The Inter-Agency Resident Mission's ultimate objectives are to help the Eastern Caribbean LDCs:

- (a) improve their overall economic performance;
- (b) accelerate the execution of investment projects;
- (c) increase the quality and effectiveness of aid flows; and
- (d) assist the OECS Economic Affairs Secretariat and the CDB to improve their capacity to assume the service role of the IARM.

Immediate Objectives - More specifically, it is proposed that IARM undertake the following:

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(a) assist the LDC Governments to formulate and carry out appropriate development policies, including policies to stimulate private sector activity;

(b) assist the LDC Governments to formulate and carry out appropriate public sector investment programs;

(c) assist the LDC Governments to identify and correct institutional deficiencies in project execution;

(d) assist the LDC Governments to monitor progress in executing their public sector investment programs and in adopting agreed development policy measures;

(e) assist the LDC Governments to obtain the required external technical and financial assistance;

(f) assist the LDC Governments to update their data base;

(g) promote donor coordination; and

(h) assist as appropriate the OECS Economic Affairs Secretariat in carrying out activities relevant to the above mentioned objectives.

To accomplish these objectives, a resident mission will be established in the Eastern Caribbean, composed of a mission chief, an IMF resident representative, two general economists, a financial analyst, and an economist/statistician.

Total costs over the three year duration of the project are \$1,970,730. Eight donors (the World Bank, IMF, CIDA, IDB, OAS, CDB, ODA, and AID) have committed themselves in principle to share these costs on a cash and in-kind (i.e., seconding of personnel) basis. Of the total, AID has been approached to finance \$676,000 over the life of the project. AID funds would be used to finance only short-term technical assistance in support of the resident mission.

AID funding for the project will come from Development Assistance resources allocated to the Eastern Caribbean Regional program managed by RDO/C in Bridgetown. In FY 82, \$200,000 is available for this project. RDO/C considers this project to be critical to demonstrate our continued support for the region and the CGCED. It will complement resources already being provided by AID through the Project Development Assistance Project and the IFC Caribbean Unit. RDO/C will assure that IARM activities take into consideration and are coordinated with PDAP.

Justification to the Congress: A Congressional Notification was prepared and sent to the Congress on August 2, 1982. The notification period expired on August 17.

Recommendation: That you sign the attached Project Authorization and the Grant Agreement with UNDP.

Attachments: Letter, Project Authorization, Grant Agreement and Project Proposal from the UNDP.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20523

PROJECT AUTHORIZATION

Name of Entity: United Nations Development Program
Name of Project: Inter-Agency Resident Mission
Number of Project: 538-0089

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Inter-Agency Resident Mission project with the United Nations Development Program ("UNDP") involving planned obligations of not to exceed Six Hundred Seventy-Six Thousand United States Dollars (\$676,000) in grant funds ("Grant") over a three-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") consists of assistance in the establishment and support of the Inter-Agency Resident Mission ("IARM") which will help member countries of the Organization of East Caribbean States ("OECS") to (a) improve their overall economic performance, (b) accelerate the execution of investment projects, (c) raise the quality and increase the effectiveness of foreign assistance expenditures, and (d) enable the OECS to assume most of the functions of the IARM thereafter.

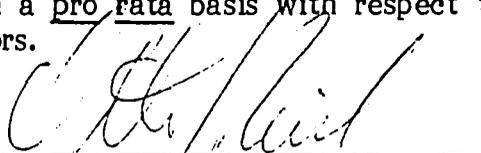
3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Condition Precedent

Prior to disbursements under the Project Agreement, in excess of \$350,000, the UNDP shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., an evaluation of the performance of the IARM.

b. Covenant

The UNDP shall covenant that, unless A.I.D. otherwise agrees in writing, it will draw down on the Grant only on a pro rata basis with respect to funds made available for this Project by other donors.



Otto J. Reich
Assistant Administrator
Bureau for Latin America
and the Caribbean

Aug 27, 1982
Date

Clearances:

GC/LAC:BVeret: AVG date 8/21
LAC/CAR:RHechtman: AVG date 8/25/82
LAC/DR:DJohnson: AVG date 8/27/82

GC/LAC:GMWintemack:8/20/82:x29182

RECORD COPY 10

**AGENCY FOR INTERNATIONAL DEVELOPMENT
ACTIVITY DATA SHEET**

PROGRAM: CARIBBEAN REGIONAL

CF 81-05 (8-79)

TITLE Inter-Agency Resident Mission		FUNDING SOURCE Selected Development Activities	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 538-0089		PRIOR REFERENCE NONE	FY 82	LIFE OF PROJECT (Auth.) 676	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		200	INITIAL OBLIGATION FY 82	ESTIMATED FINAL OBLIGATION FY 84

Purpose: To assist in the establishment and support of the Inter-Agency Resident Mission (IARM). The IARM will help the member countries of the Organization of East Caribbean States (OECES) to: (a) improve their overall economic performance; (b) accelerate the execution of investment projects; (c) raise the quality and increase the effectiveness of foreign assistance expenditures and; (d) strengthen the newly established OECES to enable it to assume most of the functions of the IARM thereafter.

Background: The Caribbean Group for Cooperation in Economic Development, established in 1977, has made substantial progress. Its main objective has been to promote an increased level of donor financial and technical assistance in support of both short and long term economic development programs undertaken by countries in the Caribbean region. However, it is generally agreed that benefits from the Group to the countries of the Eastern Caribbean have been limited. The major causes of this are the difficulty of developing the islands' micro-economies and the limited capacity of these countries to productively absorb greater amounts of economic assistance, because of their present administrative and technical limitations. This weakness is reflected in their inability to prepare investment programs suitable for donor funding, and to develop and carry out policies and programs of development to which the OECES members are committed. At the Fourth Caribbean Group Meeting in 1981 there was agreement that a special effort by donor countries was needed to overcome these difficulties in the East Caribbean. The Inter-Agency Resident Mission is a response to this need.

Project Description: This project will provide assistance to the IARM which will assist OECES governments to (a) formulate and carry out development policies, including ones to stimulate private sector initiatives, (b) develop and implement public sector investment programs, (c) strengthen institutional capacity to administer projects, (d) monitor the progress of public sector investments and development policy adoption, (e) assist in securing the required technical and financial assistance, and (f) update current data bases. The IARM will promote donor coordination in activities in the East Caribbean.

Relationship of Project to A.I.D. Country Strategy: The Inter-Agency Resident Mission is a prerequisite for the successful implementation of A.I.D.'s private sector initiative in the East Caribbean. The IARM would help OECES design and implement economic and social infrastructure projects conducive to private sector activity, as well as help develop policies supportive of this private sector activity.

Beneficiaries: The populations of the seven OECES members would benefit from the improved economic performance of their countries and the more rapid and effective use of donor assistance.

Host Country and Other Donors: The host countries will be the seven countries of the OECES. Donor cash contributions will include World Bank (IBRD) (\$258,000), International Monetary Fund (IMF) (\$178,600), Inter American Development Bank (IDB) (\$666,050), Canadian International Development Agency (CIDA) and British Overseas Development Council (ODC) (\$669,350 each). In-kind contributions will come from IBRD, IMF, Organization of American States (OAS) and the Caribbean Development Bank (CDB). IBRD will supervise the IARM and finance the Mission Chief, while IMF will support a resident representative. Other funds will support two economists, two financial analysts, short-term consultants, administrative support personnel, travel and equipment.

Major Outputs:

	All Years
a) Forecasts of resources available for public sector investment;	7
b) public sector investment programs for OECES governments;	7
c) requests for external funding for development projects;	x
d) accounting and reporting systems for program monitoring;	x
e) periodic reviews of development, financial and monetary policies;	x

A.I.D.-Financed Inputs

Technical Assistance

Life-of-Project (\$000)

676

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1980	-	-	-	To be selected
Estimated Fiscal Year 1981	-	-	-	
Estimated through September 30, 1981	-	-	-	
Proposed Fiscal Year 1982	200	476	676	
		Future Year Obligations	Estimated Total Cost	

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 754-1234

SEP 30 1982

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FIN 212/8 USA

29 September 1982

Dear Mr. Bittner:

Re: Inter-Agency Resident Mission (IARM)
Project No. 538.0089

I am having this letter and copy of a signed Grant Agreement hand-delivered to you as agreed to ensure allocation of the funds by 30 September. The Original and 8 copies have been mailed today.

As previously discussed in connection with the Grant Agreement recently completed for the Caribbean Project Development Facility (Project No. 538.0060) several of the articles need slight modification to the consistent with prior agreements between AID and UNDP.

The required changes are:

1. Paragraph 4 of the Grant letter - after the word "Grantee's" in the third line add "and the executing agency's".
2. Paragraph 7 of the Grant letter - the phrase "prepared at the time of a tripartite review" should be added after the word evaluation in the sixth line.

/...

Mr. P. Bittner
Private Sector Advisor
Department of State
(International Development)
Room 2252 LAC/DR New State
21 Virginia Avenue NW
Washington DC 20523

22

The reference to the draw down of funds on a "pro rata basis" shall be interpreted to mean that UNDP can draw down from the letter of credit the amounts indicated as payable by the U.S. Government in the payment schedule each year, provided other donors have paid amounts due from them in previous years. This interpretation is consistent with that agreed in your letter relative to the Caribbean Development Facility Project referred to above.

My thanks to you for your continued assistance.

Yours sincerely,


M. Douglas Stafford
Director of Finance

P.S.

Please also have the copy of the single irrevocable letter of credit, without conditions, sent to -

Mr. B. C. Hillis
Chief, Treasury Section
United Nations Development Programme
One UN Plaza (Rm-1706)
New York, N.Y. 10017

He will promptly supply the Federal Reserve Bank with the signatory authority for draw down, on the proper forms, through the U.S. Mission to the United Nations, New York. Quarterly reports on the status of the letter of credit will be submitted to the Mission.

23'

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 764-1834

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FIN 212/5 RLA/82/004

2 February 1983

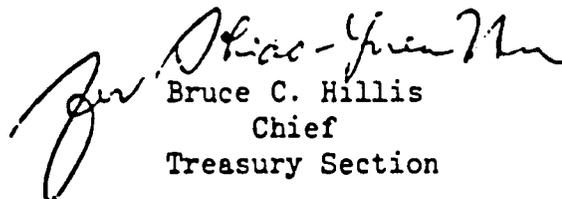
Dear Mr. Bittner,

Re: Inter-Agency Resident Mission (IARM)
AID Project No. 538.0089
UNDP Project No. RLA/82/004

As requested, I am sending you a copy of my letter dated 29 September 1982 and a copy of the signed Agreement.

I would be most grateful for anything you can do to expedite the issuance of the letter of credit for this project.

Yours sincerely,


Bruce C. Hillis
Chief
Treasury Section

Mr. P. Bittner
Private Sector Adviser
Department of State
(International Development)
Room 2252 LAC/DR New State
21 Virginia Avenue NW
Washington, DC 20523

24

BR/WK

cc: Mr. Stafford
Mr. Hillis
Reading files

FIN 212/8 USA

29 September 1982

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(International Development)
Room 2252 LAC/DR New State
21 Virginia Avenue NW
Washington DC 20523

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(Signed) M. DOUGLAS STAFFORD

M. Douglas Stafford
Director of Finance

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New York, NY 10017

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26

- B. Local Currency
- C. Combination
- D. Unfunded

A

SUBCONTRACTS

Is There a Provision
for a Subcontract? **NO**
(Contracts only)

TYPE SERVICE:

- A. Training of Participants
- B. Technical Assistance to Host Country
(Program, Project related
except A&E Services)
- C. A&E Services
- D. Construction
- E. Research
- F. Technical Services to AID
(other than training; usually
operating expense)
- G. Training Service for AID
- H. Equipment, Materials,
Supplies, Commodities
- I. Translation Service

B

CONTRACT/AGREEMENT SOURCE.

- A. U.S. Contractor/Grantee
- B. Non-U.S. Contractor/Grantee
- C. Combination of A & B

A

SELECTION PROCEDURES:

- A. Formally Advertised
- B. Negotiated Price
Competition, General
Procedure
- C. A&E
- D. Ed. Inst. and/or Int'l.
Research
- E. Collaborative
Assistance
- F. Predominant Capability
- G. Unsolicited Proposal
- H. Procurement to be Per-
formed by the Contractor
in Person
- I. Sole Source
- J. Impairment of Foreign
Policy Objectives
- K. 8(a) Selection
- L. Grant/Cooperative
Agreement
- M. Competitive
- N. Noncompetitive
- O. Small Business Set Aside
- P. Overseas Procuring Activities
- Q. Institution Building/ Strengthening

E

TYPE OF AMERICAN OWNERSHIP.

- J. Minority
 - A. Asian/Pacific Islander
 - B. Black American
 - C. American Aleuts or Eskimos
 - D. American Indian
 - E. Hispanic
 - F. Other (Specify) _____

N/A

- Labor Surplus Area
 - A. No Preference
 - B. Tie Bid Preference
 - C. Total Set Aside
 - D. Not a Labor Surplus Area
Preference Award

D

46. Number of Bidders Offering
Items or Services of Foreign
Content: **N/A**

47. TYPE OF BUSINESS

- A. Source: Non-U.S. and Used
Outside U.S. & Possessions
- B. Source Non-U.S. and
Possessions (Foreign
Purchases Used Inside U.S.)
(If U.S. Source, complete
C through Q)
- C. Firm - Profit Making & PSC's
 - Non-Profit Organizations
 - D. Private Educational
Organizations
 - E. Hospitals
 - F. Research Institutions,
Foundations, and
Laboratories
 - G. Other
- Private Voluntary
Organizations
- H. U.S. Registered
- I. U.S. Non-Registered
- J. Foreign
- State/Local Government
 - K. Educational Institutions
 - L. Hospitals
 - M. Research Organizations
 - N. Other
- O. International Agricultural
Research Organizations
- P. Public International
Organizations
- Q. U.S. Cooperatives

G

48. Women Owned
Business? **NO**

49. TYPE AWARD

- Small Business
 - A. Not Set Aside
 - B. Partial Set Aside
 - C. Total Set Aside
- D. Personal Service Contract
- E. Individual Non Personal
Service Contract
- F. U.S. Government
- G. University
- H. Other Non Profit
Organizations
- I. Large Businesses

H